

**PLEASE SIGN AND RETURN**

Cirencester Friendly, 5 Dyer Street, Cirencester, Gloucestershire GL7 2PP

## Terms of Business

**1. DEFINITIONS:**

- 1.1 "Acts" means both the 1992 Act and the 2000 Act.
- 1.2 "Business" means all business carried out by the Society in the offer and issue of the Contract(s) pursuant to the Society's Rules.
- 1.3 "Client" shall mean an individual person, firm, company or network with whom the Intermediary carries on any Business.
- 1.4 "Commission" means any or all of Initial Commission, Renewal Commission, Indemnity Commission and Non Indemnity Commission as the context may require.
- 1.5 "Contract" means the Society's Income Assured Contracts or My Earnings Insurance Contract ("MEI") or such other contract as the Society may issue from time to time under the Society's Rules (as amended from time to time) and shall where applicable mean any one or more contracts issued or to be issued to a Client.
- 1.6 "FCA" means the Financial Conduct Authority and any references to the FCA includes reference to any statutory successor carrying on the relevant functions of the FCA.
- 1.7 "Handbook Provisions" means all the Rules and Guidance contained or referred to in the FCA Handbook (as varied from time to time) and which are relevant to the Contract and the carrying on of the Business by the Intermediary with the Client.
- 1.8 "Indemnity Commission" means any Initial Commission paid in advance of being earned (and references to payment of Commission on an Indemnity basis shall be construed accordingly).
- 1.9 "Initial Commission" means any amount paid by the Society to an Intermediary for the introduction of a Client who takes out a Contract with the Society or who amends an existing Contract that has the effect of increasing the level of premiums payable.
- 1.10 "Initial Period" shall refer to a 36 calendar month period, (or any other period set by the Society from time to time) commencing on the inception date of the Contract or amendment thereto, over which the Initial Commission is deemed to be earned.

- 1.11 "Intermediary" means the individual person, firm, limited liability partnership, company or network to which these Terms of Business have been issued.
- 1.12 "Non Indemnity Commission" means any Initial Commission paid on a monthly basis as it is earned throughout the Initial Period (and references to payment of Commission on a Non-Indemnity basis shall be construed accordingly).
- 1.13 "PRA" means the Prudential Regulation Authority and any reference to PRA includes reference to any statutory successor carrying out any relevant functions of the PRA.
- 1.14 "Premium" means any payment towards membership of the Society and contributions paid or payable in respect of any Contract.
- 1.15 "Prescribed Rate" means 3% per annum above Bank of England base rate from time to time, calculated on a daily basis from the date when the relevant payment becomes due and payable until the actual date of payment, in full.
- 1.16 "Rules" means the Memorandum and Rules of the Society and the Schedules as amended (if applicable) from time to time.
- 1.17 "Society" means Cirencester Friendly Society Limited whose Registered Office is at 5 Dyer Street, Cirencester, Gloucestershire GL7 2PP.
- 1.18 "Renewal Commission" means any commission payable to the Intermediary, after the completion of the Initial Period in recognition of the Intermediary providing ongoing advice to their Client requested or otherwise in respect of the Contract issued to that Client.
- 1.19 "Unearned Commission" means, in the case of commission paid under Clause 4.2 on an Indemnity basis, the amount by which the Initial Commission advanced under those terms in respect of the relevant Contract exceeds the amount earned in respect of such Contract.
- 1.20 "1992 Act" means the Friendly Societies Act 1992 as amended by the 2000 Act and as further amended from time to time.
- 1.21 "2000 Act" means the Financial Services and Markets Act 2000 as amended from time to time.

## 2. **INTRODUCTION:**

The Society is regulated by the PRA and FCA with permission under Part IV of the 2000 Act to carry out certain regulated activities in respect of long-term insurance business.

## 3. **SCOPE:**

- 3.1 As from the date of issue of the Terms of Business to the Terms of Business set out here are those upon which the Society will accept business from the Intermediary under the Acts.
- 3.2 The Society will only accept Business from an Intermediary who satisfies the FCA requirements for authorisation and approval as set out in the Handbook Provisions.

- 3.3 The Society in any event reserves the right at its sole discretion not to accept Business (or not to accept any particular application for a Contract in the course of the Business) from an Intermediary and the Society will not accept introductions of Business from an Intermediary who ceases to satisfy the relevant FCA requirements for authorisation and approval of that Intermediary as contained in the Handbook Provisions.
- 3.4 The Intermediary is the agent of the Client in relation to all aspects of the Business except in so far as is necessary to give effect to the responsibilities of the Intermediary to the Society as set out herein.
4. **COMMISSION:**
- 4.1 All matters relating to the payment of Commission by the Society to the Intermediary shall be governed by such regulations as the FCA may determine from time to time.
- 4.2 The Society will credit or pay Initial Commission and Renewal Commission as applicable on all Business accepted and in-force with the Society subject to these Terms of Business. The Society will also credit or pay commission where the same is due to any replacement intermediary pursuant to any assignment and indemnity agreement entered into between the Society, the Intermediary and a replacement intermediary. The Intermediary must state at the time of submitting Business to the Society whether they wish to receive the Initial Commission on an Indemnity or Non-Indemnity basis. Where no preference is stated Initial Commission will be paid on the Non-Indemnity basis.
- 4.3 The amount of Initial Commission and Renewal Commission shall be calculated by application of the rates published from time to time by the Society. The Society reserves the right at its sole discretion on giving not less than 30 days notice to the Intermediary to change its published method of payment and/or rates of commission and any such change shall have effect and apply to any Commissions payable in respect of any Contract entered into after the expiry of such 30 day period. Particulars of the current rates of Commission payable in respect of Contracts are set out in the Schedules to these Terms of Business.
- 4.4 In the event of the Intermediary ceasing to be authorised or approved in accordance with the Handbook Provisions or where the Intermediary or the Client notifies the Society that the Intermediary is no longer to be the agent of the Client the Society reserves the right at its sole discretion to cease paying Renewal Commission to that Intermediary or, if any of these occurrences should happen during an Initial Period, to cease paying any further monthly Non Indemnity Commission payments that would otherwise have fallen due for payment.
- 4.5 In respect of each payment of Commission the Society shall provide the Intermediary with a written statement ("Remittance Advice") confirming the amount of Commission paid or to be paid to the Intermediary
- 4.5.1 The Remittance Advice may be in writing, on disk, tape, direct online communication to computer terminal, or any other method of communication used by the Society and the Intermediary.
- 4.5.2 In the absence of manifest error on the face of the Remittance Advice the amount stated in the Remittance Advice shall be conclusive evidence (as between the Society and the Intermediary) of the amount paid or payable to the Intermediary in respect of that Commission payment.

- 4.6 No Initial Commission will be advanced before the first premium of the Contract has been credited to the Society.
- 4.7 Subject to paragraphs 4.3 and 4.6 and as hereinafter provided Initial Commission will, at the sole discretion of the Society, be paid to the Intermediary within 28 days of the first premium being received by the Society or the Contract going on risk. However the Society may defer payment of Commission until a total of at least £20 (or such other amount that the Society may notify from time to time) is due to the Intermediary.
- 4.8 By its acceptance and agreement to these Terms of Business the Intermediary undertakes to repay to the Society any Unearned Commissions paid to it on demand forthwith upon the Society making a request for such repayment.
- 4.8.1 If at any time it appears that the Initial Commission paid on the Indemnity basis in respect of a Contract exceeds the amount which can be earned in respect of that Contract (e.g. through non-payment of premiums when they fall due or any variation in the Contract) any Unearned Commission in respect of that Contract will become a debt due to the Society and will be set off against future Commission due to the intermediary. Where the right of set off can not be acted upon immediately the debt must be repaid to the Society forthwith in accordance with the undertaking given to the Society by the Intermediary and set out at clause 4.8.
- 4.8.2 The Society shall notify the Intermediary as soon as reasonably practicable of any non-payment of Premiums under a Contract in respect of which Initial Commission has been paid and the amount of any Unearned Commission that is payable by the Intermediary at the closure of said Contract. Such notification may be communicated to the Intermediary in any manner as detailed in clause 4.5.2 and in the absence of manifest error any such notification shall be conclusive evidence (as between the Society and the Intermediary) as to the amount of Unearned Communication payable by the Intermediary (whether by way of set off or payment pursuant to clause 4.8, as the case may be).
- 4.8.3 In the event that the Intermediary does not repay any Unearned Commission to the Society on being so notified and the right of set off cannot be acted upon, the Intermediary shall pay interest on the amount of that Unearned Commission at the Prescribed Rate from the date that notification of non-payment of the Premium was given until the actual date of repayment, unless the Unearned Commission is repaid within 30 days of the date of such notification.
- 4.8.4 If the Intermediary shall at any time fail to repay or pay any Unearned Commission or interest thereon in accordance with any notice given by the Society under Paragraph 4.8.2 the Society reserves the right at its sole discretion immediately to make payment of any future Initial Commission on the Non-Indemnity basis only or (without prejudice to the generality of clause 3.3) not to accept any further Business from that Intermediary.

## 5. **DOCUMENTATION:**

- 5.1 The Intermediary must pass on immediately without amendment any documentation which is supplied by the Society for the benefit of or completion by the Client or provided by the Client in relation to the Contract.

- 5.2 The Intermediary shall record their FCA Reference Number on every application for a Contract.
- 5.3 The Society reserves the right to send communications direct to the Client for any reason but for the benefit of record shall not sell direct to that Client unless explicitly authorised by the Intermediary to do so.
- 5.4 The Intermediary must produce to the Society upon request and within a reasonable time such correspondence records, books, accounts and other information as the Society may reasonably require in connection with the Contracts effected with the Society with the Intermediary, including without limitation in relation to any Client complaint, referral to Financial Ombudsman Service, or other claim or regulatory audit or investigation.
- 5.5 All books, documents, computer software and/or hardware belonging to the Society in the possession of the Intermediary must at all times be available to the Society for inspection and be delivered back to the Society on demand within a reasonable time period.

6. **PAYMENT OF PREMIUMS/CONTRIBUTIONS:**

- 6.1 If the Intermediary undertakes to the Client to pass monies to the Society the Intermediary must do so promptly.
- 6.2 If the Intermediary is expressly authorised by the Society to collect monies on behalf of the Society he must hold them in trust and pay them to the Society within the terms of that express authority. All cheques and other like payments must be in favour of the Society alone.
- 6.3 In the event that payment is not made to the Society of monies referred to in Clause 6.2 above within any period specified in the express authority referred to therein the Intermediary will pay the Society interest at the Prescribed Rate for the period that the Premiums were in the hands of the Intermediary.

7. **COMPLIANCE WITH HANDBOOK PROVISIONS:**

- 7.1 In connection with all transactions between the Intermediary and any Client and between the Intermediary and the Society, the Intermediary:
- 7.1.1 Warrants that the Intermediary will at all times strictly comply with, and shall upon request provide all assistance and information as the Society may reasonably require to enable it to comply with, all applicable law and regulation including without limitation the Acts and each and every rule, requirement and piece of guidance contained in the Handbook Provisions.
- 7.1.2 Agrees hereby to indemnify the Society in respect of all and any loss, damage or expense of whatever nature and whensoever caused to or incurred by the Society by any breach of Clause 7.1.1 including without limitation any failure on the part of the Intermediary to comply with all applicable law and regulation including without limitation the Acts and the Handbook Provisions in accordance with the warranty set out above or otherwise to comply with these Terms of Business.

8. **MONEY LAUNDERING**

- 8.1 In connection with all transactions with the Society, the Intermediary shall comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations (2017) and any successor

legislation ("the Money Laundering Regulations") with all guidance and rules on anti-money laundering issued by the FCA and Joint Money Laundering Steering Group and by any successor or other competent bodies. The Society intends to rely on the Intermediary for the purposes of satisfying regulation 39(1) of the Money Laundering Regulations and the Intermediary undertakes to the Society that it will fulfil the obligations set out in regulation 39(2)(a) and 39(2)(b)(ii), and immediately on request by the Society supply to the Society all information required under regulation 39(2)(b)(i), of the Money Laundering Regulations.

## 9. **USE OF INFORMATION/DATA/DATA PROTECTION**

- 9.1 The Society is not obliged to disclose to the Intermediary or take into consideration information, the disclosure of which would be a breach of duty or confidence owed to any other person, or which comes to the notice of an employee, officer or agent of the Society, but not to the actual notice of the individual(s) managing the Contract or, as the case may be administering the Society's relationship with the Intermediary,.
- 9.2 The information the Society holds about the Intermediary and its Clients is confidential and will not be used for any purpose other than in connection with the administration of Contracts and/or the administration of the Society's relationship with the Intermediary, as applicable ("the Services"). The Intermediary should obtain evidence that they have obtained consent to complete the online application form on behalf of its Clients. The Society reserves the right to request evidence, on a random basis, to demonstrate due diligence and data protection best practice. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. The Society will only disclose the Intermediary's and its Clients' information to third parties in the following circumstances:
- 9.2.1 where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over the Society;
- 9.2.2 to investigate or prevent fraud or other illegal activity;
- 9.2.3 in connection with the provision of the Services to the Intermediary and its Client by the Society;
- 9.2.4 for purposes ancillary to the provision of the Services, including, without limitation, for the purposes of assessments or the verification of identity and/or any other actions or enquiries the Society may be obliged to undertake pursuant to the Society's obligations under the Money Laundering Regulations;
- 9.2.5 if it is in the public interest to disclose such information; or
- 9.2.6 at the Intermediary or Client's request or with the Intermediary or Client's consent, subject to the proviso that the Society may disclose such information to certain permitted third parties, such as the Society's professional advisers who are bound by confidentiality codes.
- 9.3 The Society will not sell, rent or trade personal information to third parties for marketing purposes without the Intermediary or Client's express consent.
- 9.4 The Society may use, store or otherwise process personal information provided by the Intermediary or Client or the Society in connection with the provision of the Services or the purposes of providing the Services or for purposes ancillary thereto, including, without limitation, for the purposes of assessments or the

verification of identity and/or any other actions or enquiries the Society may be obliged to undertake pursuant to its obligations under the Money Laundering Regulations. The Society operates, and has made all appropriate notifications in accordance with, applicable data protection legislation. For the purposes of data protection legislation the Society is a data processor until any applicable Contract is in place, whereupon the Society becomes the data controller.

- 9.5 To the extent that the Intermediary or Client has provided special category data to the Society and has explicitly consented to the Society using such information, either as part of the declaration in application form or by granting consent at the time the information is provided, the Society may use such information to enable it to provide the Services to the Intermediary and its client. Special category data comprises personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, genetic data, biometric data, data concerning health or data concerning a natural person's sex life or sexual orientation.
- 9.6 The legal basis for the Society processing the personal information will typically be because the processing is necessary: (i) to fulfil the Society's obligations under the contract; (ii) for the Society's legitimate business interests; (iii) for compliance with a legal obligation to which the Society is subject; or (iv) because the Intermediary or Client has provided the Society with consent or explicit consent in the case of special category data.
- 9.7 In accordance with data protection laws, the Intermediary and Client are entitled on request to a copy of the information the Society holds on them and to be informed about the purposes for which it is being or will be processed and the recipients or classes of recipients to whom it is being or will be disclosed. In addition the Intermediary and Client have other rights under applicable data protection legislation that may be exercised against the Society along with the right to lodge a complaint with the applicable data protection supervisory authority (being the Information Commissioner's Office or any superseding or replacement body). If the Intermediary or Client make a written request to the Society, the Society will also correct, delete and/or block personal information from further processing if that information proves to be inaccurate. Where the Society processes the Intermediary or Client's personal information on the basis of consent, this can be withdrawn at any time.
- 9.8 The Society will retain the Intermediary's and Clients' personal information for as long as is reasonably necessary for the purposes listed above or as required by local applicable law. Usually, the Society will retain its file and information in relation to the Client and their contract after the termination of the contract for such period as may be required by law or for 6 years (whichever is longer). All papers and files, including important original documents will be stored in our archive storage facilities.

## 10. **SERVICE OF DOCUMENTS**

- 10.1 Any letter or other document shall be deemed to have been served upon the Intermediary if it is sent by post or left at any address of the Intermediary from which it appears to the Society that the Intermediary was last trading or at the Intermediary's registered office (if appropriate).
- 10.2 Any letter or document sent by post shall be deemed to have been served on the second business day following that on which it was posted and service shall be sufficiently proved if there is evidence that the envelope containing the letter or document was properly addressed, stamped and posted.

11. **COMMUNICATION AND ELECTRONIC MAIL**

The Intermediary and the Society accept the integrity of all electronic mail messages and agree to accord these the same status as would be applicable to a document or to information sent other than by electronic means.

12. **VARIATIONS:**

The Society reserves the right to vary these Terms of Business. No formal written notification of a variation will require to be sent by the Society to the Intermediary. The variation will be posted on the appropriate website for the Society and shall take effect on expiry of 30 days' notice being given to the Intermediary except in circumstances where changes in the requirements, rules and/or guidance of the FCA or changes are otherwise required by law and, in either case, are required to take effect earlier than that date, in which event as much notice of the variation will be given as is reasonably practicable. Variations will not affect any Contract which is in force or proposal submitted for a Contract received by the Society before the variation of the Terms of Business takes effect (unless otherwise required by law or in order to comply with in the requirements, rules and/or guidance of the FCA).

13. **APPLICABLE LAW**

These Terms of Business shall be governed and construed in accordance with the laws of England and Wales and the Intermediary submits to the exclusive jurisdiction of the English courts.

For and on behalf of Cirencester Friendly Society Limited

SIGNED:

A handwritten signature in black ink, appearing to read 'Paul R Hudson', written in a cursive style.

***Paul R Hudson, Chief Executive***



**ACCEPTED AND AGREED**

**For and on behalf of (Company name):** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Position (please circle):** Director Partner Company Secretary  
Compliance Other \_\_\_\_\_

**Date:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**SCHEDULES**

- (a) New and Renewal Business Commission for:
  - a. Income Assured Plus Contract; (subject to the requisite FCA Authority);
  - b. My Earnings Insurance Contract;
  - c. My Extra Benefits Contract;
  - d. Income Assured Enhanced Contract.
- (b) Memorandum & Rules of the Society
- (c) Schedule 2 Rules of the Income Assured Plus Contract
- (d) Schedule 3 Rules of the My Earnings Insurance Contract
- (e) Schedule 4 Rules of the My Extra Benefits Contract
- (f) Schedule 5 Rules of the Income Assured Enhanced Contract.

**Registered Office:** 5 Dyer Street, Cirencester, Gloucester, GL7 2PP  
**Telephone:** 01285 653073/652492, **Fax:** 01285 641246

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Cirencester Friendly Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under the registration number 109987.

